EXEMPTED FISHING PERMIT APPLICATION (EFP)

1. Date of Application:

October 16, 2006

2. Applicant's Name:

AFA Catcher Vessel Intercooperative
4005 20th Ave. West
Suite 116
Seattle, Washington 98199
(206) 282-2599

Pollock Conservation Cooperative
4039 21st Ave. West
Suite 400
Seattle, Washington 98199
(206) 285-5139

3. Purpose and Goal of the Experiment:

Current Chinook and chum salmon savings areas were adopted based on historic observed salmon bycatch rates and were designed to avoid high spatial and temporal levels of salmon bycatch. From 1990 through 2001, the BSAI salmon bycatch average was 37,819 Chinook and 69,332 chum annually. Recently, however, salmon bycatch numbers have increased substantially. In 2003, 54,911 Chinook salmon and 197,091 chum salmon were taken incidentally in the trawl fisheries. In 2004, salmon bycatch increased substantially to 62,493 Chinook and 465,650 chum salmon. Bycatch amounts remained high in 2005 and totaled 67,852 Chinook and 711,813 chum salmon. To date, chum bycatch for the 2006 pollock fishery is down from recent levels, approximately 309,248 through September 16th. 2006 Chinook bycatch as of October 7th is 71,912 fish.

Anecdotal information from participants in the BSAI trawl fisheries indicated that salmon bycatch rates may be higher outside the Chinook and chum salmon savings area. The analysis prepared for this action provides spatial and temporal comparisons of non-Community Development Quota (CDQ) vessels fishing outside of the salmon savings areas with CDQ vessels fishing inside of the salmon savings areas. The analysis indicated that bycatch rates were much higher outside of the savings areas.

The purpose of the project is to evaluate the effectiveness of a "voluntary rolling hot spot" ("VRHS") salmon bycatch management system developed by the Bering Sea pollock harvesting cooperatives as a mechanism for identifying areas of elevated salmon bycatch during the course of the Bering Sea pollock season and reducing pollock fishing activity within those areas. The bycatch management system to be evaluated is described in the "Salmon Bycatch Management Agreement 2006 – 2008 Bering Sea Pollock

Fishery" (the "Intercooperative Agreement" or "ICA"), a copy of which is attached. Please note that while the ICA title implies that the Agreement life span is only through 2008 there is an annual automatic extension clause found in Section 10 (Term) on page 15 of the ICA. This provision rolls over the term of the Agreement on September 15th of each year to continually maintain the Agreement's three year span. Members of the Agreement may opt out by providing notice to all other parties to the Agreement by the September 15th deadline, however their membership will continue for 2 more years. No members opted out of the Agreement prior to the recent September 15th deadline.

The goal of the project is to develop a Bering Sea pollock fishery salmon bycatch management system that quickly and efficiently adapts to changes in salmon bycatch patterns through the course of pollock fishing seasons, and that effectively reduces pollock fishing activity in areas of elevated salmon bycatch during years of relatively low, medium and high salmon bycatch incidence without imposing impracticable restrictions on the affected fleet.

In addition to the purpose and goal described above, the cooperatives expect that the information gathered during the EFP could provide the basis for potential future changes to the ICA to further decrease salmon bycatch. Pending the implementation of Amendment 84 to the Bering Sea Aleutian Islands (BSAI) Groundfish Fishery Management Plan, this information also could provide the basis for rulemaking to adjust ICA provisions that would be established in regulations, e.g. changes to the salmon base rate.

The proposed EFP exempts vessels listed in the application from chum and Chinook salmon savings area closures. These exemptions are necessary to allow the permit holder to test the effectiveness of the VRHS salmon bycatch management system. The purpose and need for these exemptions is addressed in the analysis prepared for North Pacific Fishery Management Council in connection with Amendment 84 The EFP would exempt the applicant from fishing closures related to salmon bycatch implemented under 50 CFR §§ 679.21 and 679.22. Additionally, vessels listed on the application would be exempt from salmon bycatch related prohibitions against fishing described in § 679.7(c)(2). Vessels would still be subject to all other requirements described in 50 CFR part 679, including monitoring and observer coverage requirements described in §§ 679.28 and 679.50.

While this EFP application is similar to the EFP applied for and granted to the AFA pollock cooperatives during the 2006 B season, it will allow the cooperatives to evaluate the VRHS during an A season when Chinook bycatch is the most prevalent. The cooperatives did operate under the ICA during the 2006 A season, however the regulatory Chinook Salmon Savings Area was triggered in mid-season (February 15, 2006), eliminating a large portion of the A season fishing grounds, some of which had fairly low bycatch rates. This EFP will provide the pollock cooperatives the opportunity to test the VRHS as intended in Amendment 84 by exempting the fleet from a regulatory closure. Additionally, rather unique fishing conditions experienced during the 2006 B season resulted in less than normal pollock harvest inside the regulatory salmon savings areas.

Carrying this EFP over another B season will allow the cooperatives an opportunity to evaluate the VRHS in conjunction with more typical fishing conditions.

Disposition of all species harvested under the EFP will be handled in a manner typical to each sector, catcher-processor, mothership, and inshore, of the American Fishery Act (AFA) and Community Development Quota (CDQ) Bering Sea pollock fisheries, and in accordance with all applicable regulations.

4. Technical Details of the Experiment:

i. Species Harvested:

This experiment will be conducted using the Directed Fishing Allowance (DFA) and CDQ pollock allocations as described in the 2007 annual specifications process and any rollover directed pollock allocations released from the Incidental Catch Allowance as determined by the regional administrator. All pollock and Pacific cod harvested will be retained as required under IRIU regulations at §679.27.

Other species taken incidentally should be typical of previous Bering Sea pollock fisheries and will be either retained or discarded at sea after being logged as required in § 679.5(c).

Prohibited species catch will be handled as required in § 679.21. However, a vessel or processor opting to participate in the Prohibited Species Donation program (PSD) as described in §679.26 will retain all salmon deemed fit for human consumption. Salmon determined to be unfit for human consumption will be discarded under § 679.21(b).

Each vessel and processor will be individually responsible for meeting these requirements.

ii. Area and timing of the experiment:

All fishing will be conducted in the Bering Sea as described in § 679.2 (Bering Sea Subarea of the BSAI) in a manner typical to the Bering Sea CDQ and non-CDQ pollock fisheries. All closure areas as described in §679.22 apply with the exception of the prohibited species salmon savings area closures, both Chinook and non-Chinook salmon, for the CDQ pollock fishery as described at § 679.7(d)(9,10) and the non-CDQ pollock fishery as described at § 679.21(e)(1)(vii, viii) and § 679.21(e)(7)(vii, viii). Each vessel will be individually responsible for meeting these requirements.

The experiment will run from January 20, 2007 through November 1, 2007 or the implementation of Amendment 84, whichever comes first.

iii. Vessels and gear to be used:

All vessels operating under this permit will be AFA qualified catcher/processors as described at § 679.4(l)(2) and AFA qualified catcher vessels as described at § 679.4(l)(3). All vessels are owned and/or operated by members in good standing of the 10 AFA pollock harvesting cooperatives, i.e.: 1) the Pollock Conservation Cooperative, 2) High Seas Catchers Cooperative, 3) Mothership Fleet Cooperative, 4) Akutan Catcher Vessel Association, 5) Arctic Enterprise Association, 6) Northern Victor Fleet Cooperative, 7) Peter Pan Fleet Cooperative, 8) Unalaska Fleet Cooperative, 9) UniSea Fleet Cooperative, and 10) Westward Fleet Cooperative (together, the "Cooperatives"). All owners and/or operators of the vessels eligible to fish under this EFP are parties to the ICA.

All vessels participating in the non-CDQ pollock fishery will use pelagic trawl gear (defined at § 679.2) as required for the BSAI pollock fishery at § 679.24(b)(4). Each vessel will be individually responsible for meeting these requirements.

iv. Experimental design:

To evaluate the mechanisms described in the salmon bycatch reduction Intercooperative Agreement, including the dissemination of observer collected salmon bycatch information and catch information reported from the vessels, we propose to: 1) determine if the information is readily available (i.e. what is the latency of observer data and elog data vs. information received directly from coops), and 2) whether this information is adequate for the purpose of making salmon bycatch closure decisions. Where possible we will evaluate the statistical variance associated with the supplied data (elog vs. observer) to determine whether the differences in reported bycatch rates are significant.

We will also test the effectiveness of these bycatch closure decisions. Closures are based on information from vessels experiencing high bycatch rates, and the assumption behind the program is that closing these areas to coops exhibiting high bycatch rates will result in a displacement of effort to areas with lower bycatch rates. Effectiveness can be evaluated by seeing if high-bycatch vessels are found to have lower bycatch rates after closures are in effect. We will compare the bycatch rates of those vessels that trigger a closure by virtue of fishing in the closure area during the evaluation period that precedes the closure announcement, to those vessels' bycatch rates after the closure. This comparison cannot evaluate the effect of these closures on preventing new vessels from moving into the closure area, and it cannot evaluate the likelihood that vessels would have moved out of the announced closure area anyway in the normal course of following schools of pollock. However, it will provide a gross indication of the soundness of logic behind the salmon ICA: that is, that we can determine the areas of the ocean where high salmon bycatch rates are being experienced and keep the fleet from fishing in those areas. Note that for the ICA approach to succeed we need to not only determine in near-real-time where salmon bycatch rates are highest, but we also assume the patterns will stay constant over the period of the announced closures, which are generally three or four days, but which may be longer if we feel certain that spatial patterns of bycatch rates have not changed.

In addition, VMS records for all participating vessels will be obtained and analyzed to determine if any affected vessels failed to observe the closure action.

v. Public release of obtained information and submission of interim and final reports:

Under the terms of the EFP, the Cooperatives, through the Applicants will produce a report to the North Pacific Fishery Management Council (NPFMC) that will contain the following:

- Number of salmon taken by species during the experiment.
- Estimated number of salmon avoided as demonstrated by the movement of fishing effort away from salmon hot-spots.
- List of each vessel's number of appearances on the weekly dirty 20 lists for both salmon species.
- A compliance/enforcement report that will include the results of an external audit designed to evaluate the accuracy of the approach used by Sea State to monitor compliance with the agreement, and a report on the effectiveness of enforcement measures stipulated under the ICA in cases of non-compliance. Examination of a randomly selected subset of vessel/days representing 10% of the catch during the experiment will be used as the basis of the audit.

While calculating the number of salmon avoided cannot be done with absolute precision, an estimate will be provided for purposes of comparison with number of salmon caught by the fleet under the ICA system. This will be accomplished by calculating the number of salmon that the fleet would have caught in each "hot spot" had that area remained open for the time period of the voluntary hot spot closure. The number of salmon the fleet would have caught is the product of the pollock catch (in the following week) of the vessels that have moved from the hotspot closure and their bycatch rate while in the closed area.

The interim report will be presented to the NPFMC at the December 2007 meeting and will cover the first three bullet points listed above. A final EFP report, including all of the above bulleted points, will be presented to the NPFMC at its February 2008 meeting.

In addition to the above-mentioned information to be provided in the interim and final reports to the NPFMC, copies of the weekly (or semi-weekly) reports and fleet-wide notices made pursuant to the ICA issued by SeaState will be made available to the NPFMC and the NMFS Alaska Region offices.

Note that because individual vessel VMS and observer program data are gathered under existing fishing regulations, and thus are not data obtained under the EFP the Applicants stipulate that such information will remain confidential under the Magnuson-Stevens Act. Further, data transmitted to SeaState Inc. from individual vessels participating in the VRHS system is not information obtained under the EFP, and thus the Applicants stipulate that it will remain confidential.

vi. Anticipated impacts on marine mammals and/or endangered species:

Section 7 consultations have been undertaken for species that are listed under the Endangered Species Act (ESA) and present in the BSAI management area, with respect to the impact of the Federal groundfish fisheries.

An FMP level Section 7 consultation BiOp was completed for the groundfish fisheries in November 2000. The FMP level BiOp is limited to those species under NMFS jurisdiction and covers most of the endangered and threatened species occurring in the action area, including marine mammals, and Pacific salmon.

Under NMFS' FMP level BiOp, the western population segment of Steller sea lions was the only ESA listed species identified as likely to be jeopardized by the groundfish fisheries. A subsequent biological opinion on the Steller sea lion protection measures was issued in 2001. The 2001 BiOp found that the groundfish fisheries conducted in accordance with the Steller sea lion protection measures were unlikely to cause jeopardy of continued survival and recovery or adverse modification or destruction of critical habitat for Steller sea lions. This EFP would be implemented within the protection measures.

The effects of the groundfish fisheries on ESA listed salmon are discussed in Chapter 4.0 of the EA. An ESA consultation for Chinook salmon in the BSAI was reinitiated in 2004 and continued into 2005 and 2006, following the 2004, 2005, and 2006 fisheries having exceeded the Incidental Take Statement (ITS) approved under the BiOp. In July, 2004, the Northwest Region of NMFS upheld the ITS, and concluded that the fishery is not likely to further impact ESA-listed salmon at present, however the consultation noted the continued need to monitor Chinook bycatch in the BSAI trawl fisheries, as well as actions taken by the Council and industry to minimize this bycatch. Because this EFP is expected to reduce salmon bycatch, it is not likely to adversely impact ESA-listed salmon in ways not already analyzed in previous analyses.

Seabirds are under the jurisdiction of the United States Fish and Wildlife Service (USFWS) which has completed an FMP level (USFWS 2003a) and project level BiOp (USFWS 2003b) for the groundfish fisheries. Both USFWS BiOps concluded that the groundfish fisheries and the annual setting of harvest specifications were unlikely to cause the jeopardy of extinction or adverse modification or destruction of critical habitat for ESA listed birds.

NMFS has consulted on northern right whales after designation of critical habitat, and has determined that the Alaska groundfish fisheries are not likely to adversely affect these whales or their critical habitat. No other consultations are required for this action because it would not modify the actions already analyzed in previous BiOps, and are not likely to adversely affect ESA listed species beyond the effects already analyzed.

5. Observer Coverage:

Observer coverage for vessels participating under this EFP will operate in accordance with the regulatory requirements typical to the BSAI pollock fishery as described in § 679.50 --Groundfish Observer Program. Each vessel will be individually responsible for meeting these requirements.

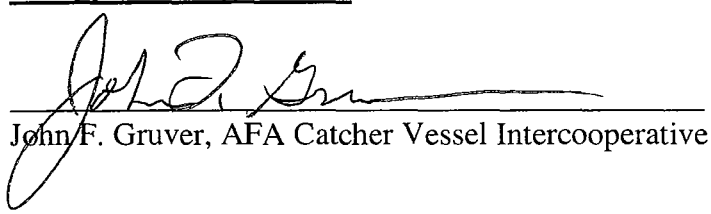
6. Details for coordinating parties engaged in the experiment and signatures of all representatives of all principal parties:

All parties operating under the EFP will coordinate their activities on a cooperative basis as described and required in the ICA (attached). The ten AFA pollock cooperatives are responsible for overseeing their member vessels' role in supplying SeaState with bycatch information as well as access to their VMS data as described in the ICA for pollock harvested in the AFA pollock fishery as well as the CDQ pollock fishery. Additionally, each cooperative is responsible for distributing all SeaState reports to their member vessels in a timely manner. The signature of each coop's representative is found in the ICA.

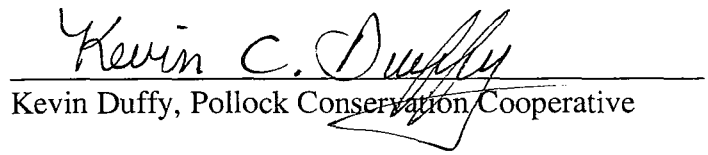
7. Vessel Information:

Attached is a spreadsheet of all vessels applying to fish under this EFP, by coop and sector, and their required information. Additionally, all vessels applying to operate under this EFP are members of AFA cooperatives participating in the ICA.

8. Applicant Signatures:



John F. Gruver, AFA Catcher Vessel Intercooperative Manager



Kevin Duffy, Pollock Conservation Cooperative